

1946
NEW ZEALAND

GOVERNMENT RAILWAYS SUPERANNUATION FUND

REPORT OF BOARD

Laid before Parliament in pursuance of Section 124 of the Government Railways Act, 1926

THE Board has the honour to transmit, for the information of Parliament, the following report upon the transactions of the Government Railways Superannuation Fund for the year ended 31st March, 1946. The Income and Expenditure Account, Balance-sheet and statements in connection therewith will be found appended.

Amendments to Pensions.—On 7th December, 1945, the Superannuation Amendment Act, 1945, No. 47, was passed, taking effect as on and from 1st January, 1946. The main alterations to the Government Railways Act, 1926, are as follows:—

(1) The repeal of section 103 which made provision for a maximum retiring-allowance of £300 per annum (section 19 (2)).

(2) Pensions to be computed at one hundred and twentieth of the annual rate of pay for every year of service (section 19 (a)), the rate of pay being the average rate of pay for the last five years of service (section 20). The pension arrived at above to be increased by an amount equal thereto, being not less than £3 15s. for each year of service or more than £300 (section 19 (b)).

(3) Contributions to the Fund to be optional (section 22).

(4) A contributor may cease to be a member and withdraw his contributions (section 23).

(5) Increase in widows' pension from £31 to £52 per annum (section 28).

(6) Extension of the age to which children's pensions are payable from fourteen years to sixteen years (section 29).

(7) Increase in pension for members compulsorily retired. The pension to be computed on the basis as if the retirement had been on the grounds of being medically unfit (section 31).

(8) Refund of surplus contributions held under the National Expenditure Adjustment Act, 1932 (section 32).

(9) The minimum age at which a permanent employee may become a contributor to be twenty years (section 22).

(10) Females may elect to become contributors (section 24).

The expenditure for the year exceeded the income by £50,158.

Members' Contributions.—The income under this heading showed an increase of £50,848. The number of contributors at 7 and 8 per cent. increased by 1 and 9 respectively, while contributors at 3, 4, 5, 6, and 10 per cent. decreased by 138, 1, 824, 77, and 3 respectively.

Contingent Contributors.—During the year 105 casual employees elected to contribute to the fund so that in the event of their subsequently being permanently appointed they would not be faced with a liability in respect of service prior to permanent appointment. The total number of employees so contributing at the end of the year under review was 343, and the amount standing to their credit £14,556.

Subsidy.—The sum of £238,951 was paid into the fund by the Working Railways Department, and the sum of £110,300 was received from the Treasury in accordance with the provisions of section 3 of the Finance Act, 1942, leaving a deficit of £50,158.

Interest.—The interest earned amounted to £53,163, a decrease of £4,664 as compared with the previous year. Table D, Statement of Investments, shows that the average rate of interest on securities held at the 31st March, 1946, was 4·201 per cent., and the average rate earned on the mean funds for the year 4·772 per cent., as against 4·133 per cent. and 5·043 per cent. respectively for the previous year.

Life Allowances.—The expenditure on account of life allowances to members amounted to £606,239. The average of the 311 allowances granted during the year was £209 0s. 3d., and the average of the 154 allowances discontinued was £178 1s. 4d. Thirty-seven contributors have made elections in favour of dependants in accordance with the provisions of section 13 of the Finance Act (No. 2), 1940.

Allowances to Widows and Children.—Previous to the passing of the Finance Act (No. 2), 1940, allowances to widows and children were paid only in cases where contributors died before retiring on a pension. Section 14 of this Act makes provision for payment of annuities to widows and children whether contributors die before or after becoming entitled to a retiring-allowance. The expenditure on account of allowances to widows and children was £58,796—£33,649 to widows and children of contributors who died before retiring and £25,147 to widows and children of contributors who died after retirement. The sum of £29,533 was received from the Working Railways Account during the year on account of the increased payments to widows and children, as provided in section 114, Part III, of the Government Railways Act, 1926.

Cost-of-Living Bonus.—A cost-of-living bonus was granted to superannuitants payable from 1st October, 1943, at a maximum rate of £26 per annum, reducible £1 for £1 for income in excess of £335 per annum. The sum of £36,163 was paid during the year. The whole cost of this bonus is borne by the Working Railways Account.

At the 31st March, 1946, there were 3,157 members, 1,409 widows, and 411 children, making a total of 4,977 persons actually on the fund, involving an annual liability of £653,184.

R. SEMPLE,
Chairman, Government Railways Superannuation
Fund Board.

31
1946
31

TABLE A. STATEMENT OF ALLOWANCES FOR THE YEAR ENDED 31ST MARCH, 1946

	Section 102 : On Attainment of Retiring Age or for Length of Service.				Section 111 : Medically Unfit.				Section 113 : Widows.					
	Number.			Annual Amount.	Number.			Annual Amount.	Num- ber.	Annual Amount at £52 per Annum.				
	M.	F.	Total.		M.	F.	Total.							
Retiring and other allowances -				£	s.	d.			£	s.	d.			
Existing at beginning of year	2,202	2,202	4,404	482,295	6	3	797	1	798	104,318	1	71,352	{ 41,912 0 0	
Granted during year at retire- ment	191	191	382	46,095	9	0	120	1	120	18,907	4	0	33	{ 28,392 0 0
Granted during year after retirement including in- creased life allowances				2,684	0	0				288	19	0	89	{ 4,628 0 0
Total	2,393	2,393	4,786	531,074	15	3	917	1	918	123,514	4	71,474	76,648	0 0
Discontinued during year	114	114	228	22,013	0	3	40	1	40	5,409	9	2	65	{ 3,380 0 0
Existing at end of year	2,279	2,279	4,558	509,061	15	0	877	1	878	118,104	15	51,409	73,268	0 0

	Section 113 : Children.				Total Retiring and other Allowances.								
	Number.			Annual Amount, at £26 per Annum.	Number.			Annual Amount.					
	M.	F.	Total.		M.	F.	Total.						
Retiring and other allowances				£	s.	d.			£	s.	d.		
Existing at beginning of year	164	143	307	7,982	0	0	3,163	1,496	4,659	636,507	7	10	{ 28,392 0 0
Granted during year at retire- ment, including increased life allowances	74	68	142	3,692	0	0	385	101	486	70,410	13	0	{ 8,016 19 0
Total	246	219	465	12,090	0	0	3,556	1,694	5,250	743,326	19	10	
Discontinued during year	29	25	54	1,404	0	0	183	90	273	32,206	9	5	
Existing at end of year	217	194	411	10,686	0	0	3,373	1,604	4,977	711,120	10	5	

Particulars of Retiring and other Allowances discontinued during the Year

	Section 102 : On Attainment of Retiring Age or for Length of Service.				Section 111 : Medically Unfit.				Section 113 : Widows.				
	Number.			Annual Amount.	Number.			Annual Amount.	Num- ber.	Annual Amount at £52 per Annum.			
	M.	F.	Total.		M.	F.	Total.						
How discontinued -				£	s.	d.			£	s.	d.		
By death	114	114	228	22,013	0	3	39	39	5,384	15	2	46	{ 2,392 0 0
By expiry							1	1	24	14	0	19	{ 988 0 0
Total	114	114	228	22,013	0	3	40	40	5,409	9	2	65	{ 3,380 0 0

	Section 113 : Children.				Total Retiring and other Allowances.								
	Number.			Annual Amount, at £26 per Annum.	Number.			Annual Amount.					
	M.	F.	Total.		M.	F.	Total.						
How discontinued				£	s.	d.			£	s.	d.		
By death				1,404	0	0	153	46	199	29,789	15	5	
By expiry							30	44	74	2,416	14	0	
Total	29	25	54	1,404	0	0	183	90	273	32,206	9	5	

Progress of Retiring and other Allowances since Establishment of the Fund to 31st March, 1946

	Section 102 : On Attainment of Retiring Age or for Length of Service.						Section 111 : Medically Unfit.				Section 113 : Widows.					
	Number.			Annual Amount.	Number.			Annual Amount.	Num- ber.	Annual Amount. at £52 per Annum.						
	M.	F.	Total.		M.	F.	Total.			£	s. d.					
Total granted**†	4,633	2	4,635	843,678	2	21,524	2	1,526	188,653	3	3	2,137	94,601	0	0	
Total discontinued*	2,354	2	2,356	334,616	7	2	647	1	648	70,548	7	10	728	21,333	0	0
Total existing at 31st March, 1946	2,279	..	2,279	509,061	15	0	877	1	878	118,104	15	5	1,409	73,268	0	0

	Section 113 : Children.				Total Retiring and other Allowances.							
	Number.			Annual Amount, at £26 per Annum.	Number.			Annual Amount.				
	M.	F.	Total.		M.	F.	Total.					
Total granted**†	1,225	1,189	2,414	53,755	0	0	7,382	3,330	10,712	1,180,687	5	5
Total discontinued*	1,008	995	2,003	43,069	0	0	4,009	1,726	5,735	469,566	15	0
Total existing at 31st March, 1946	217	194	411	10,686	0	0	3,373	1,604	4,977	711,120	10	5

Less amount receivable from the Working Railways Account	..	..	..	..	..	..	..	..	..	57,936	11	0
										£653,183	19	5

* Total allowances granted and discontinued include 200 widows at £18 only, 463 at £31 only, and 693 children at £13 only, except prior to increase of allowances.

† These figures include 134 allowances totalling £15,620 Hrs. per annum granted under section 14, Finance Act, 1931. Of these allowances, 108 were, as provided for by section 27, Statutes Amendment Act, 1936, increased by £3,553 8s., and 97 existing at 31st March, 1945, as provided for by section 31 (1) of Superannuation Amendment Act, 1945, by £2,010 8s.

TABLE B.—STATEMENT OF CONTRIBUTORS

	3 per Cent.	4 per Cent.	5 per Cent.	6 per Cent.	7 per Cent.	8 per Cent.	9 per Cent.	10 per Cent.	Total.
Contributors at commence- ment of year	372	1	15,355	1,556	450	167	83	34	18,018
New contributors during year	..	..	461	64	34	20	5	1	585
Total	372	1	15,816	1,620	484	187	88	35	18,603
Contributors discontinued during year	138	1	1,285	141	33	11	5	4	1,618
Total contributors at 31st March, 1946	234	..	14,531	1,479	451	176	83	31	16,985

TABLE C. — PROGRESS OF THE FUND

	Balance forward.		Allowances granted.	
	£	s. d.	£	s. d.
1903 to 1935 .. .. .	..	..	658,575	16 5
1936	1,246,984	7 11	14,637	7 0
1937	1,250,860	10 2	13,863	2 0
1937 (increased allowances, section 27, Statutes Amendment Act, 1936) .. .. .	..	..	3,553	8 0
1938	1,272,724	7 5	24,622	14 0
1939	1,282,354	0 2	36,872	9 0
1940	1,279,836	2 8	51,808	12 0
1941	1,248,383	2 2	58,157	10 0
1942	1,187,537	1 10	47,033	1 0
1943	1,164,045	0 0	27,466	4 0
1944	1,151,546	6 9	66,188	14 0
1945	1,130,936	6 0	71,088	16 0
1946	1,080,778	12 11	70,410	13 0
1946 (increased allowances, Superannuation Amendment Act, 1945) .. .. .	..	..	36,408	19 0
			1,180,687	5 5
Less members died, &c.	469,566	15 0		
Less liability of Working Railways Account	57,936	11 0		
			527,503	6 0
Annual liability at 31st March, 1946			£653,183	19 5

TABLE D. — STATEMENT OF INVESTMENTS

Funds invested at 31st March.		1946.		1945.	
		£	s. d.	£	s. d.
At 3	per cent.	46,425	0 0	46,425	0 0
„ 3·25	„	1,700	0 0	1,700	0 0
„ 3·375	„	25,000	0 0	25,000	0 0
„ 3·5	„	152,646	14 4	158,936	18 9
„ 4	„	212,070	10 0	212,070	10 0
„ 4·25	„	400,753	13 5	332,193	18 5
„ 4·4	„	335	0 0	335	0 0
„ 4·5	„	111,992	10 11	216,321	12 8
„ 4·75	„	869	5 9	1,008	18 11
„ 5	„	76,752	8 10	93,099	13 2
„ 6	„	1,316	8 4	1,389	11 8
Cash in hand		9,119	2 1	14,870	11 11
		1,038,980	13 8	1,103,351	15 6

	1946. Per Cent.	1945. Per Cent.
Average rate of interest on securities held at 31st March	4·201	4·133
Average rate of interest earned on the mean funds, including reimbursements made by the Treasury in respect of reduction of interest	4·772	5·043

STATEMENT OF ACCOUNTS
Revenue Account for the Year ended 31st March, 1946

<i>Expenditure</i>	£	<i>Income</i>	£
Retiring-allowances to members	606,239	Members' contributions	285,771
Allowances to widows and children	58,795	Members' contributions on account of casual service	42,337
Cost-of-living bonus	36,163	Fines	307
Refund of total contributions	72,849	Subsidies—	
Refund of contributions in excess of allowances drawn by	906	From Consolidated Fund (section 3, Finance Act (No. 2), 1942)	110,300
deceased beneficiaries	1,935	From Working Railways Account (section 119, Government Railways Act, 1926)	170,000
Transfers to other funds	68	From Working Railways Account: Increased allowances to annuitants compulsorily retired (section 27, Statutes Amendment Act, 1936, and section 31, Superannuation Amendment Act, 1945)	3,255
War-damage insurance	296	From Working Railways Account: Increased allowances to widows and children (section 114, Government Railways Act, 1926)	29,533
Part-cost actuarial investigation of the Fund	80	From Working Railways Account: Cost-of-living bonus	36,163
Administration charges—			
Travelling-expenses of Board members	1,017	New Zealand Railway Tradesmen's Association	238,951
Public Trust commission	50	New Zealand Engine-drivers, Firemen, and Cleaners' Association	12
Audit fee	1,942	Amalgamated Society of Railway Servants	17
Salaries	621	New Zealand Railway Officers' Institute	10
Postages	132	Interest—	12
Printing and stationery .. .. .	.. .. .	Investments	44,688
		Treasury Department	8,474
		Commission on Government Life Insurance collections	53,162
		Balance carried down, being excess of expenditure over income for the year	50,158
	£781,093		£781,093
Balance brought down	£ 50,158	Accumulated funds brought forward on 1st April	£ 1,130,936
Balance, accumulated funds as at 31st March	1,080,778		
	£1,130,936		£1,130,936

Balance-sheet as at 31st March, 1946

<i>Liabilities</i>	£	<i>Assets</i>	£
Accumulated funds, as per Revenue Account	1,080,778	Investment Account—	1,029,862
Casual employees' contingent contributions	14,556	Investments	9,119
Retiring and other allowances due (not paid)—		Cash in hand	1,038,981
Members	352	Current Account—	
Widows and children	573	Cash in hand	24,492
Refund of contributions authorized (not paid)	10,693	Contributions and fines in transit	10,826
Refund of contributions in excess of allowances drawn by beneficiaries (not paid)	346	Contributions due by Army, Navy, and Air Force Departments	11,596
Transfers to other funds authorized (not paid)	110	Contributions outstanding	1,915
Interest paid in advance	99	Contributions due by members in respect of casual service	25,979
Public Trustee	378	Working Railways—	
Reserve for bad and doubtful debts	3,000	On account of increased allowances to annuitants (section 27, Statutes Amendment Act, 1936, and section 31, Superannuation Amendment Act, 1945)	396
Rebates of contributions (National Expenditure Adjustment Act, 1932)	32,625	On account of cost-of-living Bonus	2,887
Sundry creditors	75	On account of additional allowances to widows and children (section 114, Government Railways Act, 1926)	4,391
	£1,143,585	Interest due not paid	6,292
		Interest accrued but not due	10,486
		Subsidy in transit	5,300
		Sundry debtors	44
			£1,143,585

F. H. McAULEY, A.R.A.N.Z.,
Chief Accountant, New Zealand Railways.

R. SEMPLE,
Chairman of the Government Railways
Superannuation Fund Board.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. P. RUTHERFORD, Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given: printing (1,050 copies), £26

By Authority: E. V. PAUL, Government Printer, Wellington.—1946.

Price 6d.]

